

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COLUMBIA GAS OF KENTUCKY, INC.)	
)	
_____)	CASE NO. 94-182
)	
ALLEGED FAILURE TO COMPLY WITH KENTUCKY)	
REVISED STATUTES CHAPTER 278)	

SHOW CAUSE ORDER

Columbia Gas of Kentucky, Inc. ("Columbia Gas"), a Kentucky corporation engaged in the distribution, sale, and furnishing of natural gas to or for the public, for compensation, for light, heat, power or other uses, is a utility under the jurisdiction of the Commission pursuant to KRS 278.010(3)(b).

KRS 278.020(1) prohibits any corporation from beginning the construction of any plant, equipment, property or facility for furnishing to the public natural gas service until this Commission has issued a certificate that public convenience and necessity require such construction. On December 6, 1993, Columbia Gas filed an application, docketed as Case No. 93-456,¹ requesting a certificate pursuant to KRS 278.020(1) authorizing the construction of a new headquarters and customer service facility in Fayette County, Kentucky. See Case No. 93-456, letter dated December 9,

¹ Case No. 93-456, The Application of Columbia Gas of Kentucky, Inc. for a Certificate of Convenience and Necessity to Construct the Lexington District Office Building on 7.84 Acres in the Westhampton Business Park in Lexington, Kentucky.

1993 from the Commission's Executive Director to Columbia Gas, attached hereto as Attachment A. In response to a Commission request for information, Columbia Gas stated that actual construction of the new facility commenced on August 2, 1993. See Case No. 93-456, Columbia Gas Response to Commission Order dated February 2, 1994, Item 19, attached hereto as Attachment B.

Based on a review of the information provided by Columbia Gas, and being advised, the Commission finds that a prima facie case has been made that Columbia Gas violated KRS 278.020(1) by beginning the construction of plant, equipment, property, or a facility for furnishing natural gas service to the public without first obtaining from the Commission a certificate that public convenience and necessity require such construction.

The Commission, on its own motion, HEREBY ORDERS that:

1. Columbia Gas shall file within 14 days of the date of this Order a written response to the probable violation noted herein.

2. Columbia Gas shall appear at a hearing on June 17, 1994, at 10:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, to show cause why it should not be subject to the penalties prescribed in KRS 278.990 for the probable violation of KRS 278.020(1).

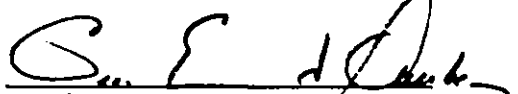
3. The December 9, 1993 letter from the Commission's Executive Director to Columbia Gas in Case No. 93-456 and Columbia Gas's response to Item 19 of the Commission's February 2, 1994

Order in Case No. 93-456, attached hereto as Attachments A and B, respectively, shall be made a part of the record in this case.

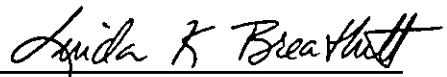
4. Any motion for an informal conference shall be filed on the same date as the written response to the probable violations noted herein.

Done at Frankfort, Kentucky, this 5th day of May, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

December 9, 1993

Hon. Kristen J. Brown
Columbia Gas of Kentucky, Inc.
P. O. Box 117, Columbus, OH. 43216 0117

Hon. Richard S. Taylor
Hazelrigg and Cox
P. O. Box 676, Frankfort, KY. 40602 0676

RE: Case No. 93-456
COLUMBIA GAS OF KENTUCKY, INC.
(CONSTRUCT) LEXINGTON DISTRICT OFFICE

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received December 6, 1993 and has been assigned Case No. 93-456. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in dark ink, appearing to read "Don Mills", written over a horizontal line.

Don Mills
Executive Director

DM/vh

19. When did Columbia begin actual construction of the new headquarters building?

Company witness: Robert N. Ames

The successful contractor, C. E. Pennington, started construction on August 2, 1993.